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RECORDATION NO. 20261-B
FILED 1425
MAR 3 1997 3 40 PM

March 3, 1997

BY HAND

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Room 2214
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for filing and recordation pursuant to 49 U.S.C. § 11301 are one original and four executed counterparts of an Assignment of Collateral Assignment and Agreement (Locomotive Leases), a secondary document. The primary document to which it relates is the Collateral Assignment and Agreement (Locomotive Leases) recorded on September 10, 1996 under Recordation No. 20261. It relates to the railroad equipment and leases identified in the primary document.

This Assignment does not change the leases or railroad equipment subject to the primary document or any previously recorded secondary document.

The names and addresses of the parties to the document are as follows:

Assignor/Secured Party

BankAmerica Business Credit, Inc.
(as Agent for certain lenders)
231 South LaSalle
16th Floor
Chicago, Illinois 60697

Honorable Vernon A. Williams
March 3, 1997
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Assignee/Secured Party

Bank of America National Trust
and Savings Association
(as Agent for certain lenders)
1455 Market Street
12th Floor
San Francisco, California 94103

Borrower/Debtor

MotivePower Industries, Inc.
1200 Reedsdale Street
Pittsburgh, PA 15233

Please file and record the document with indexing under the foregoing names. We request that this assignment be cross-indexed.

A fee of \$24.00 is enclosed for the recordation and an additional fee of \$24.00 is enclosed for cross-indexing. Please return the original and any extra copies not needed by the Board for recordation to the person presenting this letter.

A short summary of the document to appear in the index follows:

Assignment of interest of Secured Party (as Agent for certain lenders) in Collateral Assignment and Agreement (Locomotive Leases) from BankAmerica Business Credit, Inc. to Bank of America National Trust and Savings Association.

Very truly yours,

Timothy M. Walsh

Attorney for MotivePower
Industries, Inc.

Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001

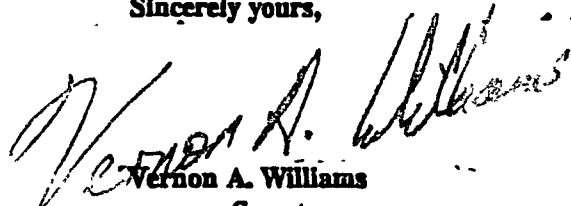
3/3/97

Timothy M. Walsh
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC., 20036-1795

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/3/97 at 3:40PM , and 3:50PM assigned recordation number(s). 19582-E, 19582-F, 19583-G, 19583-H, 20261-B and 20261-C.

Sincerely yours,

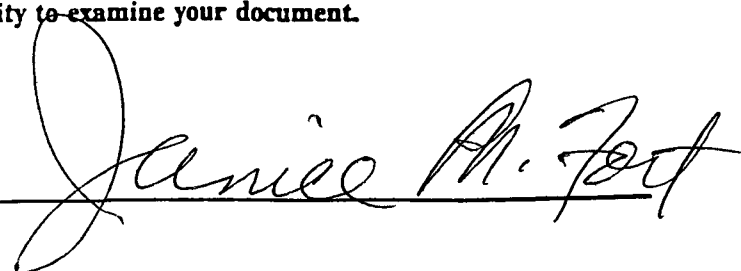

Vernon A. Williams
Secretary

Enclosure(s)

(3 cross-indexes)

\$ 216.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



20261-13
MAR 4 1997 11:30 PM

**ASSIGNMENT OF COLLATERAL ASSIGNMENT
AND AGREEMENT (LOCOMOTIVE LEASES)**

This **ASSIGNMENT OF COLLATERAL ASSIGNMENT AND AGREEMENT (LOCOMOTIVE LEASES)** (this "Assignment"), dated as of February 27, 1997 is between **BANKAMERICA BUSINESS CREDIT, INC.**, a Delaware corporation (individually and as agent for certain financial institutions, the "Assignor") and **BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION** (individually and as agent on behalf of the Lenders as referenced below, the "Assignee").

WHEREAS, pursuant to that certain Collateral Assignment and Agreement (Locomotive Leases), dated as of September 10, 1996 (as amended, restated, modified or supplemented from time to time, the "Locomotive Lease Assignment") between MK Rail Corporation (which has changed its name to MotivePower Industries, Inc.), a Delaware corporation (the "Borrower") and the Assignor, which Locomotive Mortgage was recorded with the Surface Transportation Board ("STB") on September 10, 1996 with Recordation No. 20261, the Borrower has granted to the Assignor a continuing security interest in and lien on the collateral described therein, including without limitation the leases of the railroad locomotives and rolling stock described on Schedules 1 and 2 thereto as the same has been amended from time to time (the "Locomotive Leases"); and

WHEREAS, Assignor has assigned its rights and obligations (including, without limitation, resigning as agent and assigning to Assignee its rights and duties as agent) under the Credit Agreement (as defined below) to the Assignee and the Lenders pursuant to that certain Assignment and Acceptance Agreement dated of even date herewith, and the Locomotive Lease Assignment is a continuation in favor of the Assignee (on behalf of the Lenders) of the liens and security interests on the Locomotive Leases originally granted to Assignor; and

WHEREAS, the Assignee is the successor agent on behalf of the Lenders under that certain Second Amended and Restated Credit Agreement dated as of even date hereof by and among the Assignee, the several financial institutions from time to time party thereto (the "Lenders") and the Borrower (as amended, restated, modified, renewed, supplemented or extended from time to time, the "Credit Agreement"), pursuant to which the Lenders have agreed to amend and restate the Existing Loan Agreement (as defined in the Credit Agreement) to, among other things, continue extending a term and revolving credit facility to the Borrower; and

WHEREAS, the Assignor and the Assignee have agreed, subject to the terms and conditions of this Assignment, to assign the Assignor's security interest in the Locomotive Leases, in order to further secure the obligations of the Borrower to the Assignee under the Credit Agreement, and pursuant to the Locomotive Lease Assignment.

NOW, THEREFORE, the Assignor and the Assignee hereby agree as follows:

1. In order to further secure the obligations of the Borrower to the Assignee and the Lenders and the interests of the Assignee and the Lenders under the Credit Agreement (including, without limitation, the appointment of the Assignee as successor agent), the Assignor hereby assigns

to the Assignee, without recourse to and without representation or warranty of any kind by the Assignor, all of its right, title and interest in the Locomotive Lease Assignment and in its lien on and security interest in the Locomotive Leases including, without limitation, the Locomotive Leases listed on Schedules 1 and 2 to the Locomotive Lease Assignment, as amended from time to time.

2. The Assignee hereby accepts the assignment of the lien and security interest in the Locomotive Leases and assumes and agrees to perform, observe and comply with any obligations the Assignor may have had in the Locomotive Lease Assignment and with respect to the Locomotive Leases.

3. This Assignment shall be binding upon and inure to the benefit of the respective successors and assigns of the Assignor and the Assignee.

4. **THIS ASSIGNMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS.**

5. This Assignment may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Assignment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

6. This Assignment shall be effective upon execution hereof by the parties hereto, as of the date first set forth above.

[signature page follows]

IN WITNESS WHEREOF, the Assignor and the Assignee have executed this instrument as of the date first written above.

BANKAMERICA BUSINESS CREDIT, INC.,
individually and as agent

By: Thomas S. Sull
Title: Vice President

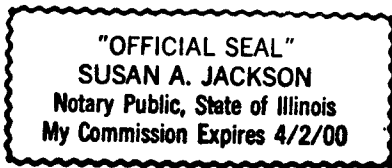
**BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION**, individually and as agent

By: William J. Stafeil
Title: WILLIAM J. STAFEIL
VICE PRESIDENT

Document Number: 0168058.02
2-27-97/00:48am

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

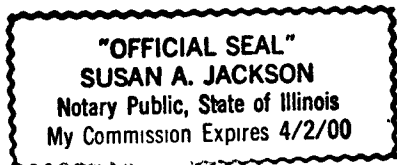
On this 21st day of February, 1997 before me personally appeared Thomas Sullivan to me personally known, who, being by me duly sworn, says that he is the Vice President of BankAmerica Business Credit, Inc., and that he is duly authorized to sign the foregoing instrument on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was his free act.



Susan A. Jackson
Notary Public
My commission expires 4/2/2000

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this 21st day of February, 1997 before me personally appeared William Stajel to me personally known, who, being by me duly sworn, says that he is the Vice President of Bank of America National Trust and Savings Association, that the said instrument was signed on behalf of said banking association, and he acknowledges that the execution of the foregoing instrument was his free act.



Susan A. Jackson
Notary Public
My commission expires 4/2/2000